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A MONTHLY REPORT OF CURRENT POLICIES,
OFFICIAL STATEMENTS AND STATISTICS

VOLUME IV
No. 9

CONTENTS

FIELD SERVICE CODE

JAPANESE OVERSEAS
(*Bureau of Southern Affairs, Department of Overseas Affairs*)

NATIONAL GOVERNMENT OF CHINA
IN ACTION
(*Board of Information*)

THE 76TH SESSION OF THE IMPERIAL DIET

March, 1941

The TOKYO GAZETTE is published monthly by the Tokyo Gazette Publishing House under the supervision of the Board of Information. Its purpose is primarily to supply information concerning the nature of problems being confronted today by the Japanese nation as a whole, and of the governmental steps being taken to solve these problems.

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A MONTHLY REPORT OF CURRENT POLICIES, OFFICIAL STATEMENTS AND STATISTICS

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FIELD SERVICE CODE

—Adopted by the War Department on January 8, 1941—

INTRODUCTION

The battlefield is where the Imperial Army, acting under the Imperial command, displays its true character, conquering whenever it attacks, winning whenever it engages in combat, in order to spread *Kodō* far and wide so that the enemy may look up in awe to the august virtues of His Majesty. Those who march to the battlefield, therefore, should endeavour to exalt throughout the world the glories of the Empire by fully realizing what the country stands for and firmly upholding the moral tenets of the Imperial Army.

The Imperial Rescript to the armed forces is explicit, while the regulations and manuals clearly define the conduct in combat and methods of training. Conditions in the zone of combat, however, tend to cause soldiers to be swayed by immediate events and become forgetful of their duty. Indeed, they should be wary there lest they run counter to their duties as soldiers. The purpose of this code lies in providing concrete rules of conduct, in the light of past experience, so that those in the zone of combat may wholly abide by the Imperial Rescript to enhance the moral virtues of the Imperial Army.

CHAPTER I

1. The Empire

Japan is the *Kōkoku*[2]. The *Tennō*[3] rules over it everlastingly in a line unbroken through the ages as the successor in the high and broad cause established by the Imperial Ancestor at the time of the founding of the Empire. Imperial benevolence is extended to all without favour, while the Imperial virtues enlighten the world. The people, too, handing down the traditions of loyalty, filial piety and valour from generation to generation, and enhancing thereby the morality peculiar to the Empire, have assisted the Throne—a

[1] Literally, "The Imperial Way," whereby the Japanese people, achieving a unity of mind, with the Emperor as Master and serving Him with loyalty and devotion, endeavour to establish a highly moral nation through whose moral influence they hope to contribute to the peace and welfare of the world.

[2] Empire or the land of Tennō.

[3] The Emperor of Japan.

perfect national unity under the Throne which has brought about the present national prosperity.

Soldiers in the field should seek to achieve, with unshakeable determination, their mission of defending the Empire by laying to heart the essential character of the national polity.

2. The Imperial Army

The Army, under command of the Emperor, assists in furthering the Imperial fortunes by enhancing the glories of the Empire through the embodiment of the lofty spirit of valour. This spirit is the basic factor in realizing universal peace ; for it is the spirit of justice combined with valour and of valour tempered by benevolence, in conformity with the Imperial wishes. Valour requires strictness, while benevolence must be universal. Should there be an enemy who dares to oppose the Imperial Army, the Army must resolutely resort to force of arms and deal him a crushing blow. However, even though force may compel the enemy to submit, should a lapse in virtue occur by the striking of those who do not resist or by failure to show kindness to those who surrender, it cannot be said that such an army is perfect.

Modest in its strength, unostentatious in its kindness, the Imperial Army becomes the object of admiration when it quietly displays its valour and benevolence.

The mission of the Imperial Army lies in making the Imperial virtues the objects of universal admiration through the exercise of justice tempered with mercy.

3. Discipline

The essence of discipline in the Imperial Army lies in the lofty spirit of complete obedience to His Majesty, the Grand Marshal. High and low must have deeply engraved in their minds the solemnity of the right of command ; those above should exercise the right in all seriousness, while those below should obey the commands in the utmost sincerity. Essential to victory and requisite for maintaining peace is the condition wherein the entire Army, united in the bonds of absolute loyalty, moves as one in response to a command.

Especially on the battlefield is the utmost observance of the spirit of obedience necessary. The spirit of the soldier is best exemplified by those who silently do their duty, joyfully braving death in obedience to a command given at a time when they are undergoing great

hardships.

4. Unity

The Army looks up in awe to His Majesty as its august head ; it must be united in compliance with the Imperial Will, as one in spirit and in body and in single-hearted loyalty.

In keeping with the basic principles of command, an army unit should form a solid yet genial group with its commander as its centre.

It is essential that each man, high and low, dutifully observing his place, should be determined always to sacrifice himself for the whole, in accordance with the intentions of the commander, by reposing every confidence in his comrades, and without giving even the slightest thought to personal interest and to life or death.

5. Cooperation

Soldiers should not only be united in mind in carrying out their tasks, but should display the spirit of cooperation by forgetting themselves for the sake of victory.

Every unit should carry out its mission with responsibility, upholding its honour, placing confidence in others and assisting one another, volunteering to face hardships, exerting all its strength in cooperation, and fighting valiantly to achieve its objective.

6. Aggressiveness

Aggressiveness should constantly prevail in combat, which must be carried out with bravery and determination. When attacking, be determined and positive, always taking the initiative, fighting vigorously and stubbornly, vowing not to cease until the enemy is crushed. In defence, always retain the spirit of attack and always maintain freedom of action ; never give up a position but rather die. In pursuit, be thorough and inexorable.

Act boldly intent upon victory ; be fearless and calm, meeting the situation courageously, undergoing hardships with indomitable perserverance so as to overcome all obstacles.

7. The Conviction to Win

Faith is strength. He who has faith in combat is always the victor.

The conviction to win grows from constant and rigorous training. Develop the strength to conquer the enemy by every possible effort and by improving every moment.

The destiny of the Empire rests upon victory or defeat in battle. Do not give up under any circumstances, keeping in mind your responsibility not to tarnish the glorious history of the Imperial Army with its tradition of invincibility.

JAPANESE OVERSEAS

Bureau of Southern Affairs, Department of Overseas Affairs

MODERN Japanese emigration and colonization which began in the year 1868, when a small group of Japanese workers sailed for Hawaii, then an independent kingdom in the mid-Pacific, is now 72 years old. It is marked by a unique contribution to the advancement of civilization, particularly in connection with the agricultural industry, which is one of the basic factors for supplying human needs. From this insignificant beginning the number of Japanese overseas, who are engaged in many useful branches of industrial and commercial activities throughout the world, has today reached 1,000,000. According to the latest statistics available, the number in October, 1939, totalled 1,290,067, which can be classified according to countries and regions roundly as: 500,000 in Manchoukuo, 220,000 in China, 290,000 in the United States (including Hawaii), 240,000 in Central and South American countries, and 40,000 in the South Sea regions. It must be noted, in this connection, that among these countries the United States and Peru closed their doors to new Japanese immigrants, while Brazil and the Philippines have placed certain restrictions on their entrance, whereas China has not restored peace and order to such an extent as to receive Japanese settlers. The only country open to our large-scale colonization today is Manchoukuo. In the near future, however, the South Sea regions will no doubt welcome the contribution by Japanese settlers toward the development of their resources.

North America

Japanese immigration to North America has now become a thing of the past. What we witness there to-day is a marvellous growth of those settled in their economic life as well as in their usefulness to the communities to which they belong. As already mentioned, the origin of Japanese immigration to America dates back to 1868 when 153 Japanese arrived in the Hawaiian Islands. These immigrants were brought to the islands as sugar-plantation hands. Later in 1885, an official of the Hawaiian Government came to Japan and arranged for Japanese immigration *en masse*. This is the first

instance of officially sanctioned immigration by contract. In the course of 13 years that followed, 30,000 immigrants entered Hawaii. But most of them returned to Japan upon the expiration of their term of contract, except a small number who remained there and started their own business with their savings, or engaged in other independent occupations or went to the mainland of the United States. The zenith of Japanese immigration to Hawaii was from 1901 to 1907, when in the latter year Japan voluntarily limited the number of her emigrants by virtue of the Gentlemen's Agreement. During this period the annual influx of Japanese frequently reached 10,000 to 20,000.

The first record of our immigration to the mainland is found in the sixties when some Japanese students, after finishing their schooling, were engaged in gainful occupations there. It was, however, in the eighties that Japanese workers entered the United States as immigrants. Thereafter, the number of Japanese entering the mainland increased so rapidly that an anti-Japanese agitation based on labour and race problems, broke out in the nineties. The story of the anti-Japanese campaign in California is widely known in this connection. This state of affairs led to the conclusion of the Agreement of 1907, and ultimately to the enactment of the Immigration Law in 1924, which brought the issue of Japanese immigration to an end, though unsatisfactory from our point of view.

TABLE 1

	Mainland	Hawaii	Total for United States	Canada	Grand total
Agriculture & forestry	16,641	15,239	31,880	1,930	33,810
Fisheries	1,525	1,763	3,288	1,108	4,396
Mining	258	—	258	68	326
Manufacturing industry	3,371	4,491	7,862	1,853	9,715
Commerce	12,698	6,344	19,042	1,008	20,050
Communications & transportation	1,165	1,250	2,415	278	2,693
Public services & liberal professions	2,850	1,257	4,107	170	4,277
Domestic employees	3,199	4,223	7,422	201	7,623
Other occupations	1,783	5,066	6,849	361	7,210
Total (employed)	43,490	39,633	83,123	6,977	90,100
Family members (unemployed)	78,628	110,766	189,394	14,534	203,928
Grand total	122,118	150,399	272,517	21,511	294,072

With regard to the immigration to Canada, not a few of the immigrants went there as a stepping stone to the United States. To this date no legislation has been enacted against Japanese in that country as in the United States. It cannot be denied, however, that there has always existed a fairly strong anti-Japanese sentiment in Canada. Consequently Japanese immigrants have not increased very much.

In October, 1939, Japanese residents in the whole of North America, totalled 294,072, comprising 272,517 in the United States and 21,511 in Canada. Table 1 shows the occupational distribution of Japanese residents in North America. As shown in the table, Japanese in the Hawaiian Islands today have outgrown the stage of immigrants and are making a valuable contribution to the communities in various fields such as agriculture, commerce, fisheries, banking, building and transportation. The majority of them are of the second and third generations, most of whom, unlike their fathers, are following intellectual occupations. As a matter of fact, a good number of them are regarded as constituting important assets to the political, economic and cultural life of the islands.

On the mainland Japanese are mostly engaged in truck-farming. In Southern California and other parts, however, they are also prospering in commercial enterprises. Here too, the second generation outnumbers the first. Although discriminatory feeling against Japanese is not as strong today as in earlier days, Americans of Japanese parentage, due mainly to race prejudice against them, are so placed that they are practically compelled to seek their jobs in Japanese communities. The chief occupation of Japanese in Canada is also farming, other occupations being those related to fisheries, small traders and employees in commercial and industrial establishments. It is certainly to our credit that, in the face of the current strained international situation, these Japanese residents in that part of the world are remaining calm and absorbed in their own callings, having unshaken faith in the ideal of world peace cherished by Japan.

Central and South America

The immigration to South America became active, incidentally with the ban imposed on Japanese immigration by the United States. The arrival of 790 Japanese contract labourers in Peru in 1899 was the beginning of immigration from Japan into that part of the American Continent. However, since the immigration to Brazil began a year later, Brazil has become the foremost country receiving

TABLE 2

	Mexico	Cuba	Salva-dor	Pana-ma	Colom-bia	Vene-zuela	Peru	Bolivia	Chile	Brazil	Argen-tina	Para-guay	Uru-guay	Total
Agriculture & forestry	418	212	—	1	64	—	1,649	71	36	35,696	1,108	109	16	39,380
Fisheries	255	28	—	4	—	—	2	3	—	86	—	—	—	378
Mining	3	1	—	—	—	—	7	—	7	2	—	—	—	20
Manufacturing industries	109	22	—	19	—	—	366	34	52	1,152	1,418	3	1	3,176
Commerce	822	87	3	163	25	17	4,290	188	205	2,094	961	21	16	8,892
Communications & transportation	33	4	—	3	1	—	15	2	6	299	135	—	1	499
Public services & liberal professions	118	5	2	11	9	—	143	4	24	710	55	10	2	1,093
Domestic employees	4	29	—	4	—	—	151	—	9	383	119	5	6	710
Other occupations	61	2	—	—	—	—	11	10	1	162	42	—	7	296
Total (employed)	1,823	390	5	205	99	17	6,634	312	340	40,584	3,838	148	49	54444
Family members (unemployed)	3,658	273	2	150	195	8	15,022	407	368	161,627	3,055	472	44	185,281
Grand total	5,481	663	7	355	294	25	21,656	719	708	202,211	6,893	620	93	239,725

Japanese settlers, and the term "South American immigration" became almost synonymous with Brazilian immigration. Its heyday was during the period between 1926 and 1934, the peak years being 1933 and 1934, when the annual Japanese influx was more than 20,000. The immigration to Argentina was carried out one year earlier than that to Brazil; nevertheless, the number of immigrants was negligible.

With regard to the immigration to Central America the beginning was in 1897. Consequent upon the Gentlemen's Agreement between Japan and the United States, Mexico was opened to Japanese settlers, with the result that those who entered that country as contract labourers in 1906 and 1907 numbered 5,000 and 3,700 respectively. Japanese residents in Central and South America in October, 1939, totalled 239,725. Table 2 represents their occupational distribution.

As will be seen in the table, approximately 96 per cent of the Japanese residents in Central and South America are engaged in agriculture, and the rest in fisheries, manufacturing industry, commerce, public services and liberal professions. Thus their annual agricultural output is valued at 170,000,000 yen, while the amount invested by leading Japanese concerns reaches 20,000,000 yen.

As previously mentioned, most of the Japanese settlers in South America are in Brazil. Of the 200,000 Japanese in that country 97 per cent are occupied in farming, whose annual output amounts to 140,000,000 yen, while cotton and coffee, their staple products, being valued at 105,000,000 yen and 32,000,000 yen respectively. The greater part of the Japanese in Brazil live in San Paulo, where they have considerable influence in economic circles. A significant fact, in this respect, is that nearly half of the total cotton crops in San Paulo are being cultivated by Japanese. The production of rice, vegetables, cocoons, bananas and tea undertaken by Japanese also has a promising future. A notable success achieved in the cultivation of jute—a new industry in the Amazon basin—is a positive proof of Japanese perseverance in overcoming physical difficulties. In consequence, trade relations between Japan and Brazil have developed in recent years to the mutual benefit of the two countries. The immigration to that country, however, is today limited to only 3,000 annually, in accordance with the quota system enforced in 1935.

In Argentina also there are Japanese immigrants, who are cultivating vegetables and flowers in the suburbs of Buenos Aires, and their annual production is being valued at 3,000,000 yen and 1,250,000 yen respectively. In respect of the number of Japanese residents,

Peru comes next to Brazil. However, as Peru revised its immigration law in 1936, limiting the number of Japanese settlers to 16,000, and as there are already 20,000 Japanese in that country, the immigration of Japanese is virtually under the ban. In the early days, the immigrants worked on sugar plantations. The agrarian system as well as farming conditions prevailing there, however, rendered it extremely difficult for them to become independent farmers. Accordingly they left the plantations for cities such as Lima, Callao, etc., where they settled down as small traders. This brought them into competition with the medium- and small-scale Peruvian business interests which, to a certain extent, contributed to the unfortunate outbreak of the anti-Japanese incident last summer. Consequently the Japanese Government is advising them to return to the farms. Those Japanese who have settled as farmers are engaged principally in the cultivation of cotton, whose annual production amounts to 22,000,000 yen. Paraguay is another Latin American country where Japanese have possibilities of prospering in future. In the course of the past three or four years, more than 600 farmers have settled down there.

At present it may not be possible to send a large number of emigrants to Central or South America, due to the rigid provisions of the immigration laws in force there. Trade and other economic possibilities, however, are certainly reassuring.

South Sea Regions

The immigration to the South Sea regions began with the sending of miners as contract labourers to Australia and New Caledonia in 1891. It must be remembered, however, that those who actually laid the foundation for Japanese colonization were 3,000 Japanese labourers, employed in the construction of roads in the Philippine Islands in 1903. Upon completion of the construction work their employment ceased. About 180 of them moved to Davao, where they settled down to be pioneers of Japanese colonization. In the Netherlands East Indies traders played a leading role in founding Japanese settlements. At the outset, they peddled medicine to the natives. When the World War broke out in 1914, the islands were cut off from communication with Europe, which afforded Japanese traders an opportunity to supply their goods extensively. The emigration to British Malay, Thailand, French Indo-China commenced with the beginning of the present century and continued to 1914. In recent years British Borneo too have received our immigrants.

Japanese residents in the Outer South Sea region totalled 39,526 in October, 1939. Their distribution by countries is as follows:

Philippines	25,331
Dutch East Indies	6,485
British Malay	5,043
British North Borneo	1,799
Thailand	576
French Indo-China	292

As for their occupational distribution, it is given in table 3 below. According to the table, 50 per cent represent members of the family. The rest are engaged in trade, fisheries, farming and forestry. Farming is most popular among Japanese in Davao, where 16,000 of them are raising hemp. Vegetables are cultivated near Baguio, Luzon Island, in the Philippines; hemp and cocoanut in the eastern coast of British Borneo. In the plateau of the Malay Peninsula vegetables are also raised.

TABLE 3

	Thailand	French Indo-China	British Malay	Brit. N. Borneo and Sarawak	Dutch East Indies	Philippines	Total
Agriculture & forestry	10	14	157	297	188	6,539	7,205
Fisheries	—	—	880	263	425	1,078	2,646
Mining	4	—	24	—	9	11	48
Manufacturing industry	133	1	214	220	247	1,418	2,233
Commerce	165	134	872	139	2,154	2,525	5,988
Communications & transportation	1	—	55	—	14	118	189
Public services & liberal professions	64	12	192	27	202	288	785
Domestic employees	25	27	170	14	66	72	374
Other occupations	5	2	60	1	22	188	278
Total (employed)	407	190	2,624	957	3,327	12,236	19,741
Family members (unemployed)	169	102	2,419	842	3,158	13,095	19,785
Grand total	576	292	5,043	1,799	6,485	25,331	39,526

Recently Japanese trade has developed considerably in the South Sea regions. No doubt it is due to the trading activities of 6,000 Japanese, most of whom live in cities, but go from town to town peddling miscellaneous goods and serving the needs of the native population. The capital invested in these commercial activities amounts approximately to 40,000,000 yen, and the annual transactions are estimated at 126,000,000 yen. Japanese investments in

other enterprises in these regions, such as agriculture, mining and fisheries, amounting only to 300,000,000 yen, are insignificant as compared with those of 6,000,000,000 yen, 1,100,000,000 yen and 900,000,000 yen by the Netherlands, Great Britain and China respectively.

Of those investments by Japanese interests, the amount invested in rubber plantations reaching 80,000,000 yen is the largest. The leading rubber producing district is the Malay Peninsula, followed by Dutch Sumatra and British Borneo. There are 35 major Japanese concerns interested in rubber production, while 170 rubber plantations are owned by individuals.

The Japanese investment ranking next to rubber is in the cultivation of hemp, which amounts to approximately 50,000,000 yen. Of the total hemp produced in Davao 75 per cent, and that produced in the Philippines 40 per cent, are handled by Japanese, which include 40 concerns and 4,000 farm households. After 10 years of hard labour, Japanese lately began to produce Manila hemp even in eastern British North Borneo. Other investments in agricultural products include 32,000,000 yen in cocoanut cultivation and 175,000,000 yen in sisal hemp, quinine, pepper, cotton, coffee, and tea.

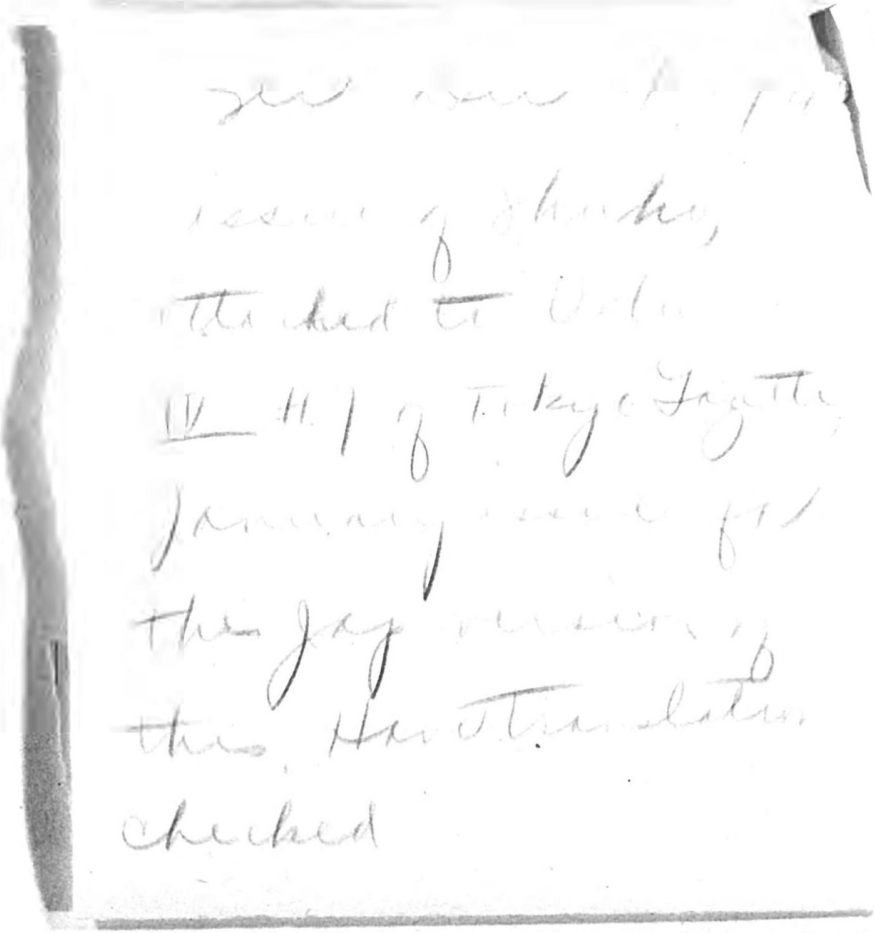
There are also increasing activities of our forestry interests in the lumbering enterprises, which supply building materials and pulp. The investment in these enterprises amounts to 28,000,000 yen. Some 15 establishments are interested in this industry.

The investment in the mining industry reaches 55,000,000 yen with 30 concerns operating. Among the various minerals produced in the South Sea regions, what the Japanese are interested in are iron, manganese, gold, copper, chrome, nickel, bauxite, tin, mica and oil.

In fisheries approximately 12,000,000 yen is invested, which bring in an annual catch valued at 8,000,000 yen. The principal catches are bonito, tuna, followed by pearl shells and small fishes. Since, however, the countries in these regions, excepting Borneo, do not grant the coastwise fishery rights to aliens, Japanese engaged in this industry have been greatly handicapped in their activities.

Mention must be made, in this connection, of the protective measures carried out by the Government for the promotion of emigration. As early as 1896, 5 years after the first emigration company was established, the Emigration Protection Law was enacted. Since 1923, subsidies have been granted to various organizations related to emigration and colonization. In 1925, the Overseas Emigration Associations Law was enacted, which enabled the landed settlers,

emigrants who would purchase land and undertake colonization to emigrate to various countries. On the other hand, in each prefecture an overseas emigration association was set up. In 1927, a training station was established in Kobe, with a view to giving necessary information and knowledge so as to enable them to live as good and useful members of the communities to which they are to belong. In 1933 a similar institution was established in Nagasaki. In the meantime, the Department of Overseas Affairs was created to take charge of all affairs concerning emigration and colonization. The activities of the Department in guiding and directing the settlers overseas are responsible, to no small degree, for enormous strides made by them, as has been described, not only in their economic status but also in their usefulness to the peoples among whom they live.



NATIONAL GOVERNMENT OF CHINA IN ACTION

BOARD OF INFORMATION

NEW era has been introduced in the history of East Asia when the Sino-Japanese Basic Treaty was signed at Nanking on November 30, 1940, by General Nobukuyi Abe[1], Japanese Ambassador to China and Mr. Wang Ching-wei, President of the Chinese Executive Yuan. On the same day, the Joint Declaration by the Governments of Japan, Manchoukuo and China was signed by the plenipotentiaries of the three countries, thereby clarifying a nebulous relationship between the latter two countries. The three countries have thus entered into a relationship of close collaboration for the avowed purpose of establishing a new order in East Asia. By weathering storms for nearly a year, the new Government of China has achieved a considerable success both in domestic and foreign affairs. Of the diplomatic achievements of the new Government the most important is the adjustment of Sino-Japanese relations—a task accomplished by the conclusion of the above-mentioned Treaty two years after Mr. Wang Ching-wei left Chungking, in December, 1938, or 18 months after the appointment of General Abe as Japanese Ambassador on April 1, 1940.

The Konoe Principles

The Sino-Japanese Basic Treaty is no less than the embodiment of the three principles[2] enunciated by Prince Konoe on December 22, 1938, as may be inferred from its preamble which reads: "Being desirous that these two countries should respect their inherent characteristics and closely cooperate with each other as good neighbours under the common ideal of establishing a new order in East Asia on an ethical basis, thereby a permanent peace in East Asia, and with this as a nucleus contributing toward the peace of the world in general." And for that purpose Article 1 of the Treaty stipulates that "the Governments of the two countries shall, in order to maintain permanently good neighbourly and admicable relations between the two countries, mutually respect their sovereignty and territories and at the same time take mutually helpful and friendly measures, political,

[1] On December 7, 1940, General Abe was relieved of his duty as the ambassador to China and Mr. Kumataro Honda was appointed to succeed him.

[2] See for reference the February, 1939, issue of TOKYO GAZETTE.

economic, cultural and otherwise."

Especially noteworthy is the ban placed on any future campaign of anti-Japanese education, propaganda and boycott, which had been intermittently staged on and off in China since 1918 and great ly aggravated since the inauguration of the old National Government. Needless to add, this campaign had put serious obstacles in the way of amicable relations between the two countries, and eventually led to the outbreak of the present hostilities. This aspect of the problem is referred to in the Treaty as follows: "The Governments of the two countries agree to eliminate and to prohibit in the future, such measures and causes as are destructive of amity between the two countries in politics, diplomacy, education, propaganda, trade and commerce, and other spheres." Doubless, this stipulation has opened the way for the realization of amicable relations between Japan and China.

As regards the common defence against the Communist activities, the following provision is laid down: "The Governments of the two countries agree to engage in joint defence against all destructive operations of a Communistic nature that jeopardize the peace and welfare of their countries," and "Japan shall, in order to carry out the defence against Communistic activities through collaboration of the two countries, station required forces in special areas of Mengchiang and of North China for the necessary duration, in accordance with the terms to be agreed upon separately." Entrenched as it is in the regions covering the provinces of Kansu, Shensi, and Ninghsia, the Chinese Communists extended its guerilla warfare from Inner Mongolia to the provinces of Shansi, Hopei, and Shantung. With the 8th Route Army as pivotal centre, guerilla units of 1,000,000 strong have been active all over Mongolia and North China—a blight against which such a counter-measure of common defence, as the provision states, is only natural and reasonable.

Economic cooperation is also provided for in the Treaty, with the idea of maintaining close, friendly cooperation between the two countries, avoiding encroachment upon their respective economic sovereignties. Article 6, paragraph 1 of the Treaty reads: "The Governments of the two countries shall effect close economic cooperation between the two countries in conformance with the spirit of complementing each other and ministering to each other's needs, as well as in accordance with the principles of equality and reciprocity," and paragraph 4 stipulates: "The Governments of the two countries shall take all necessary measures to promote trade in general and to facilitate and rationalize the demand and supply of goods between the two countries. . ." These provisions account for the

joint development of defence resources of China, with reference particularly to Mongolia and North China, and also for the promotion of trade and communications in the region of the Yangtze valley.

On the other hand, the Joint Declaration by the Governments of Japan, Manchoukuo and China has resulted in the recognition of Manchoukuo by China,[3] thereby strengthening the foundation for the establishment of the sphere of co-prosperity in this part of the world.

Movement for Restoring Sovereignty

In the meantime, a marked progress has been made of the movement for restoration of the sovereign rights, which the new National Government initiated. The first step is the repudiation of the lease of Liukungtao. It is recalled, in this connection, that Great Britain coaxed the Chungking régime to renew for 10 more years the expired lease of the island, which right that country had reserved at the time of the retrocession of Weihaiwei. However, the new National Government refused to sanction such an agreement between them and, on September 30, effected the rendition of the island. Then, the Second District Court in the French Concession in Shanghai was taken over by the Nanking Government early in November. As is well known, some remnants of the Chiang régime, such as a court of justice, survived in the International Settlement of Shanghai. The fact of the matter is that Chinese malefactors in the Settlement might be arrested by agents of the Municipal Council, which is under the British domination, and be brought into its court for trial. The presence in the Settlement of judiciary officials appointed by the Chiang régime would only serve to pervert the Chinese attitude toward the Wang Ching-wei régime. The new National Government, therefore, had made the necessary preparations to appoint its own judiciary officials; but the negotiations with the authorities of the French Concession had fallen through. Recently, however, a satisfactory arrangement has been made between the parties concerned, which may be considered a diplomatic success for the new Government. Further, upon the entry of Italy into the European War, the new Government issued in the name of the Foreign Minister, Dr. Chu Min-hsu[4], a statement demanding the withdrawal of the belligerent troops and warships in China. The consequence was the wholesale

[3] An exchange of diplomatic representatives has been recently made between the two countries.

[4] He is now Chinese Ambassador at Tokyo.

evacuation of the British troops on August 10, 1940. Moreover, a pledge has been made by Japan through the instrument of the Basic Treaty for the abolition of the extraterritoriality and rendition of the concessions, which formed the central issues of the drive for the abolition of unequal treaties, and which China had demanded from time to time, viz. at the Versailles Conference as well as the Washington Conference of 1921. Article 7 of the Treaty referred to stipulates as follows: "According to the development of the new relations between Japan and China under the present Treaty, the Government of Japan shall abolish extraterritorial rights possessed by Japan in China and render to the latter its concessions; and the Government of China shall open its territory for domicile and business of Japanese subjects." In accordance with this provision, extraterritorial rights will be abolished and concessions returned to China; and the domicile of Japanese in the interior will be recognized. It is recalled that no Japanese subject has enjoyed, in the past, the rights of residence and of business, except in the settlements and treaty ports; and he has had to carry his own "huchao" passport when travelling in the interior. Hereafter, the Government at Nanking, will carry out gradually negotiations with other countries for the full restoration of the sovereignty of China.

Another important move forward in the political life of new China was the election of Mr. Wang Ching-wei to the Presidency of the Republic of China, a post which remained long vacant. At the sessions of the Executive Yuan and the Central Political Council held on November 28 a paragraph in Article 11 of the old Organic Law of the National Government, which read "The President shall be held in no way accountable in political affairs," and also the whole of Article 12, which read "The President is not permitted to assume any other office concurrently, were rescinded. And at the same sessions they unanimously adopted the proposal for electing Mr. Wang Ching-wei, then Deputy Chairman, the new President of the Republic of China, thereby establishing the centre of political organization of the country.

Constitutional Government in Preparation

The most pressing issue of Chinese internal politics today is to enforce constitutional government. The fact is that the Kuomintang Party in its development has passed from the military into the tutelage and into the constitutional phase. In anticipation of a successful execution of the national revolution, the Chungking régime had drawn up and published the draft constitution. It had expected to

call the National Convention on November 13, 1940, to adopt the constitution. However, under the pretext of a lack of preparation due to the emergency, the convocation of the Convention was indefinitely postponed. True, General Chiang Kai-shek and his followers retained the controlling power in the Chungking Government, seeking to grasp a full dictatorship. In the face of the Sino-Japanese conflict, they endeavoured to enlist the cooperation of all factions under the aegis of the Kuomintang Party. The first revolt ever attempted against this plan came from the Chinese Communist Party, which insisted, upon conducting joint resistance against Japan on equal footing with the other factions. In its ardent desire to gain political influence, the Communists demanded the convocation of the National Convention and the establishment of the constitution. Thus the adoption of the constitution became the central issue in Chinese politics. The Kuomintang was forced to temporize and dodge the issue by setting up a National Political Council, a machinery devised to suit itself. When it postponed the call of the National Convention, it also tried a makeshift by increasing the number of Council members, or by extending the power of the Council to counteract such moves. The new Government repudiated, from the outset, party government and dictatorship as espoused by the old Kuomintang and proceeded to advance the cause of constitutional government by the cooperation of all parties and factions.

At the 6th plenary session held in August, 1939, a proclamation was issued by the Nanking Government "to convene the National Convention, draw up the constitution and to carry out constitutional government within the shortest time." Again on March 30, 1940—a day fixed for the return of the new Government to Nanking—it was announced that the major policy of the new Government was to bring about peace and effect constitutional government. In the basic policies formulated by that Government, also, the same measures were prominently included. On July 29th, the Commission for the Execution of Constitutional Government was set up under the leadership of Mr. Wang Ching-wei and composed of 27 members elected from among Government and private leaders. The Commission is divided into 4 sections, the first dealing with the outline of the draft constitution and the National Convention, etc.; the second with the local government system; the third with national economy; and the fourth with education. It is expected that the draft constitution passed in 1934 by the Legislative Yuan of the former National Government will be adopted as a basis for discussion. Such a forward step will prove a serious blow to the Chungking régime, which is struggling to stem the rising tide of the

constitutional movement.

As for the improvement of administration, it is noted that the new Government has embarked upon the reform of the local administration structure. The reorganization of the five Provinces of Kiangsu, Chekiang; Anhwei and Hupei and of the three special Municipalities of Canton, Hankow and Nanking was completed early in October 1940. The system of Provincial Governor has been superceded by that of Provincial Chairman placed under the direct control of the Central Government, thereby bringing to an end the past trend toward feudalism.

Financial and Banking Reorganization

The finances of the new Government have an important bearing upon its future development. The new régime has taken firm hold on three main sources of revenue, such as customs revenue, salt gabelle and consolidated taxes thus maintaining a position of enormous advantage over the Chungking régime. Sound as they have been, the finances of the new Government still have to undergo some changes owing to the current wartime situation, which has caused a considerable decrease in customs revenue and consolidated taxes.

The Nanking régime, therefore, in its forward move along various lines, was forced to expedite its financial reorganization. On the one hand, it had to do away with the extortions and miscellaneous taxes of the past in order to stabilize the life of the people and, on the other, to carry out retrenchment in Government expenditures. It was found in this connection, that independence in respect of the right of taxation must be realized in order to effect readjustment of national taxes. With this in view, Article 1 of the Agreed Terms of Understanding concerning the Annexed Protocol of the Basic Treaty has stipulated that "with regard to those various organs for collecting taxes in China, which are at present in a special condition owing to military necessity, an adjustment shall be made promptly in accordance with the spirit of respecting the financial independence of China." As the new Government is located in the rich section of China, there is every reason to believe that the financial adjustment of the country will bring about a steady and sound development of its finances.

An adjustment of the financial machinery is of vital importance to the economic reconstruction of China. Yet, it is indeed a very difficult task. It had to proceed with the utmost caution. As a rule, the urban concentration of financing operation or the preference of investment in Government bonds, practised in the past, has been replaced by the policy of localized financing. With a view to re-

habilitating rural life and to developing commerce and industry, an attempt has been made to reorganize provincial and city banks as well as cooperatives. At the end of August, 1940, the Regulations governing the Provincial and City Banks were issued, thereby establishing banking institutions in every Province and city, through which institutions local reconstruction will be facilitated and the aid to agricultural and industrial enterprises carried out.

Currency unification is one of the most stupendous tasks allotted to the new Government. Needless to add, the control of provincial and city banks as well as agricultural, commercial and industrial banks through the instrumentality of a central financial organ is indispensable. The most important measure along this line is to work out some means of dealing with the old *fapi*, which is still in circulation under the financial support of Britain and America, as well as of unifying the monetary system of North and Central China. For this purpose the Central Bank of China was established in Nanking on December 21, 1940.

Economic Rehabilitation and Educational Reform

A glance at the economic conditions in China will reveal the fact that with the extension of hostilities to Shanghai, the bulk of industries in and round the city, which constituted the major part of China's industry, was completely lost; the rest being transferred to Chungking and other interior cities. The result was the virtual collapse of new industries arisen in recent years. But General Toshizo Nishio, the Commander-in-Chief of the Japanese Expeditionary Forces in China, made declarations for the restoration of the Chinese factories in the custody of the Japanese army. Accordingly, in the middle of October, 9 factories in Canton, inclusive of cotton mills, soda, fertilizer plants, were returned, and 13 factories in Central China turned over to the Chinese. There are a large number of other plants under negotiations between the two countries. Article 2 of the Agreed Terms of Understanding refers to this matter. It says: "With regard to those industrial, mining and commercial establishments under governmental or private management which are at present controlled by Japanese forces, the necessary measures shall be taken for their prompt transfer to Chinese management in a rational manner, with the exception of those which are of enemy character or under special circumstances of unavoidable character, including military necessity."

Further, the funds remaining idle in Shanghai amount to some 5 or 6 billion Yuan, including those making flight from Hongkong. How

to turn them to account is a challenging question, the solution o- which must be reached by the consultation of the Nanking Governf ment with Japan.

The supply of food is another grave problem confronting the new Government. The price of rice has greatly arisen, owing partly to the curtailment of production caused by the hostilities and partly to the dislocation of transportation and distribution. The rice formerly valued at about 10 Yuan per picul has now risen to 70 Yuan. The new Government has disbursed 1,000,000 yen from the special fund of the Treasury for the relief of the suffering people and organized in November the Foodstuffs Control Commission. The three Provinces of Kiangsu, Chekiang and Anhwei and the two Municipalities of Nanking and Shanghai were divided into 7 districts and 21 sub-districts for the purpose of regulating the demand and supply of rice, of maintaining an equilibrium in its price, and of purchasing rice for Government custody, and of controlling rice dealers.

The restoration of educational work is also under way. On October 1, the National Central University was reopened. The institution is divided into nine Departments of Science, Engineering, Law, Literature, Commerce, Education, Agriculture, Medicine and Pharmacology and four Special Departments, with the accommodation capacity for 9,000 male and female students.

After the lapse of less than a year the new Government has made a steady progress in its attempts to reconstruct the national life of China. With the recent conclusion of the Sino-Japanese Basic Treaty, that Government has formally been recognized and its future is full of promise, and is now fully prepared to take part in the establishment of the Greater East Asian sphere of common prosperity. Thus new China will certainly prove to be one of the vital factors in the construction of the new world order.

THE 76TH SESSION OF THE IMPERIAL DIET

—Ministerial Addresses of January 21, 1941—

ADDRESS OF PRINCE FUMIMARO KONOE, PRIME MINISTER

I COUNT it a great joy to be here with you gentlemen at the 76th session of the Imperial Diet and to lay before you the views of the Government. At the opening of the session, His Majesty the Emperor was pleased to grant us a gracious Message; we were all profoundly moved. I am fully determined, in unison with you all, to exert myself to the utmost of my ability, in obedience to the Imperial command and in single-hearted devotion, to offer humble assistance to the Throne under the current emergency.

To those officers and men of the Imperial Army and Navy who have achieved unprecedented successes in the face of the great obstacles, since the outbreak of the China Affair, by the august virtue of His Majesty, we tender our heartfelt gratitude, and at the same time we pay our sincere tributes to the memory of those who have fallen for the country.

Japan is now confronted with an emergency unparalleled in her long history. The present world situation makes it urgent that she should perfect, at home, the State structure for national defence capable of enhancing the total strength of the nation and replete armaments sufficient for achieving the national purpose, and that, on the other hand, she should take appropriate measures centring on the establishment of a new order in Greater East Asia and placing a special emphasis on the settlement of the China Affair. Such a policy should embrace adequate steps for meeting any international developments and for promoting national prosperity.

Confronted with such a situation the present Government, at the outset of its formation, decided on the fundamental national policies and have steadfastly endeavoured to put them into effect.

The objective of the recent conclusion of the Tripartite Pact between Japan, Germany and Italy has fully been set forth in the Imperial Rescript granted on the occasion. With the Pact concluded, Japan is bent on achieving her high purpose of establishing stability in Greater East Asia and the peace of the world. Any further extension of the hostilities, of course, is wholly against her desire. But it can be said that Japan is far from reaching the goal of her ideal

and she is aware that there will still be many obstacles to be overcome; she will face the most serious crisis. Such being the case, I sincerely request that the whole nation will redouble its efforts and be fully prepared to meet the crisis.

Japan enunciated some time ago the basic policy for the readjustment of relations between Japan and China, and proposed that that country should share the responsibility for the establishment of a new East Asian order. The new Government of China established by those who responded to the Japanese proposal made steady progress in keeping with Japanese military successes. The result was the conclusion of an agreement, last year, stipulating essential relations between Japan, Manchoukuo and China. However, there are still in that country some influences which are blind to the just cause of concord among races and intend to seek national salvation by resisting Japan. Great Britain and the United States, on the other hand, are, of late, openly intensifying their policy of aiding the Chiang régime and of putting restraint upon Japan. Our country is firmly determined to set up a Greater East Asian order by eliminating those who continue their resistance against us and by collaborating with those who make common cause with us.

I believe that an immediate necessity for our country is to carry out renovations in all phases of government, in accordance with the essentials of national polity, so as to perfect the national defence structure. For this purpose, endeavours must be made to establish the national morality based on the principle of priority of service to the State, by inculcating in the people the spirit of piety and reverence toward the ancestors, by improving education in conformity with the fundamental principles of national polity and by discarding all egoistic and utilitarian ideas. Measures along these lines are matters related to all phases of governmental activity; but essentially they must be accomplished by the work of education. Hence the Government will give special attention to its promotion.

As for the organization of the entire people for assisting the Throne which forms the basis of the new national structure, a definite statement was recently made by the Government. Accordingly, the Association for Assisting the Throne has been organized and the national movement for the purpose is now in full swing.

In the present exigency, a complete unity of the nation, embracing 100,000,000 compatriots in one mind, is absolutely demanded. It is indeed a matter for congratulation that the time has arrived for all the people to discard their petty differences and to unite in their assistance to the Throne. Needless to say, this movement of the

people aims at assisting the Throne by serving the State in all walks of life in accordance with the essential character of national polity and in conformity with the provisions of the Imperial Constitution. And this movement can best be expressed in the words "The practice of the duty of Japanese subjects to assist the Throne." The Government ardently hope for a speedy and vigorous development of the movement, inasmuch as its future success or failure will greatly influence the destiny of the nation.

The Government have for sometime sought to establish a new structure in the official world. As a first step in this direction, they have made a reform in the civil service system, by repealing the provisions for guaranteeing the status of Government officials, and by opening the way for free appointments from among people in general. The Government will leave no stone unturned in the reform of the system, by properly operating the new ordinances. As to the readjustment of official affairs, which has to be effected in keeping with the demands of the times, they entertain no hesitation in making, upon careful investigation, all necessary renovations.

The Government, in an attempt to establish an economic self-sufficiency in Greater East Asia, consisting of Japan, Manchoukuo and China as its nucleus, are contemplating a comprehensive, planned economy, concentrating on the basic industries, in full cooperation between the Government and the people with a view to expanding industrial productivity, strengthening armaments and establishing stability in the people's livelihood. For that purpose, the Government intend to firmly establish national economy, in conformity with the injunction: "Make public interests first" and "Serve the State in all walks of life" and to augment industrial production, by giving full play to the high efficiency attainable through the initiative of the people under the new economic structure, thereby contributing to the enhancement of the total strength of the nation.

Consequent upon these changes in the present economic situation, there are small- and middle-sized merchants and industrialists who are confronted with considerable difficulties. The Government will make every possible effort to aid and foster them in their business, and will take all necessary measures for those who are forced to change their occupations, in order to minimize, as far as possible, the sacrifices incurred thereby in the execution of national policies.

With the development of the China Affair, the safeguarding of the supply of staple foodstuffs has become a vital concern. Special measures are therefore being devised to ensure the production, to adjust the distribution and to regulate the consumption of the staples. The Government are now putting rice under State control and

executing other measures needed for adjusting supply and demand in its endeavours to stabilize the conditions of living. Moreover, with a view to securing stability of the livelihood of farmers and expanding the agricultural production, the Government will leave nothing undone in their efforts for the increase of foodstuffs by an adequate supply of fertilizers and other materials necessary for their production. As the current situation continues, necessaries of life are becoming less abundant. The Government are doing their utmost to secure the adequate supply of the necessaries of life at low prices, so as to safeguard the economic life of the nation. The people, therefore, are urged to simplify their living and to maintain their will power to cope with the present difficulties by realizing the gravity of the situation.

I have thus explained to you those measures indispensable for the establishment of the highly organized national defence structure. The Government pledge to strive for the accomplishment of these objectives. All members of the nation are asked, on the other hand, to address themselves resolutely and unitedly to the task of overcoming all the difficulties and obstacles that confront them, and go forward with the conviction that a bright day will dawn after these dark hours, recalling the fact that the prosperity of our country has been advanced in the past through the courageous endurance and dauntless activity of our ancestors, sustained invariably by the august virtue of the Emperor.

In conclusion, I earnestly hope that you will kindly understand the true intentions of the Government, and that after due deliberations, will give your speedy approval to the budgetary and legislative bills to be submitted for your consideration.

ADDRESS OF MR. YOSUKE MATSUOKA, MINISTER FOR FOREIGN AFFAIRS

It gives me a great pleasure to have this opportunity of explaining at the reopening of the 76th session of the Diet the recent trends in our country's foreign affairs.

Needless to say, the aim of Japan's foreign policy is that of enabling all nations of the world to take their own proper places, in accordance with the spirit of *Hakkō Itiu*, the very ideal which inspired the foundation of our Empire. The object of the Three-Power Pact concluded between Japan, Germany and Italy on September 27 last is none other than the realization of the same great ideal. We are, one and all, profoundly moved by the Imperial Rescript His Majesty the Emperor was graciously pleased to grant

on the conclusion of the Pact, clearly indicating to the nation the path which they should follow.

The Three-Power Pact stipulates that Germany and Italy recognize and respect the leadership of Japan in the establishment of a new order in Greater East Asia. It is our avowed purpose to bring all the peoples in that region to revert to their inherent and true character, promoting conciliation and cooperation among them, and thereby setting an example of universal concord. The Pact also provides that Japan recognizes and respects the leadership of Germany and Italy in their similar endeavours in Europe. Far from antagonizing any country, the Pact is the embodiment of a peaceful but powerful cooperation directed toward the establishment of a new world order. In accordance with the provisions of the Treaty, arrangements have already been made for setting up mixed commissions at the capitals of the three countries. Friendly relations between the three nations are thus becoming increasingly closer, politically, militarily, economically and culturally. During the month of November last year, the Pact was adhered to by Hungary, Rumania and Slovakia. It need not be repeated that the keynote of Japan's diplomacy is the ideal of *Hakkō Itiu* and that it revolves round the Three-Power Pact as its axis. In this connection, I should like to touch briefly upon Article 3 of the Three-Power Pact. The article provides that the Contracting Parties undertake to assist one another with all political, economic and military means should one of the Contracting Parties be attacked by a Power at present not involved in the European War or in the Sino-Japanese conflict. In case such an attack should be made, the obligation stipulated by this article would, of course, fall upon us. Reference may be made, in passing, to Italy's military operations. There appear to be various species of malicious propaganda circulated on this subject, but I have no doubt that Italy, our ally, will attain her objective before long.

Of the nations in Greater East Asia, Manchoukuo has special and inseparable relations with this country. As you are aware, during the 10 years which have already elapsed since her emergence as an independent nation, her national foundations have become strong and secure while her international position has been greatly enhanced, and her people have been enjoying an increasing measure of prosperity. In June last year, the Emperor of Manchoukuo paid a visit to Japan to offer His felicitations personally to our Imperial House on the auspicious occasion of the 2,600th anniversary of the foundation of our Empire. This is a source of genuine congratulation for the people of Japan and Manchoukuo, as it is a conspicuous manifestation of the unique relations existing between the two

nations, sharing, as they do, common aims and aspirations. By the Sino-Japanese Basic Treaty concluded with the National Government at Nanking, and by the Joint Declaration made by Japan, Manchoukuo and China, the Republic of China recognized Manchoukuo, with the result that an exchange of ambassadors has been arranged between them.

Inasmuch as an early settlement of the China Affair is desirable for the establishment of the sphere of common prosperity throughout Greater East Asia, our present Government, ever since its formation, have urged the Chiang Kai-shek régime to reconsider and reverse its attitude, with a view to bringing about its amalgamation with the Nanking Government; but it persists in struggling against Japan. The Chiang régime, however, is riddled with internal disruption and friction which are rapidly growing acute, while the masses under its control are suffering from high prices, a dearth of commodities and other hardships and privations. While the armed resistance of Chiang's régime has notably declined, the Chinese Communist troops have greatly gained in influence, with the result that they are steadily encroaching upon the sphere of influence of Chungking's armies. The leader in Chungking now seems to be greatly harassed by the growing strength and outlawry of the Communist forces. Despite its being in such a miserable plight, the Chiang régime is still advocating national reconstruction through its continued resistance against Japan. This is due to its misplaced hopes in assistance from Great Britain and the United States, especially the latter, and also to the force of past circumstances from which that régime can not easily escape. In June last year, Great Britain temporarily suspended the traffic of goods destined for the Chiang régime through the Hongkong and Burma routes. On October 18 of the same year, however, following the announcement of the Three-Power Pact, that country reopened the Burma route and has since been trying to transport goods by that route. Furthermore, Great Britain recently granted the Chiang régime a 100,000,000 pound sterling loan, while about the same time the United States, too, offered a loan of 100,000,000 dollars. The latter country is now endeavouring to extend assistance to Great Britain on a large scale by mobilizing her entire resources; while on the other hand, the Burma route is being frequently and seriously damaged by the successful activities of our loyal and gallant air forces. It seems highly doubtful, therefore, what aid Great Britain and the United States can actually afford the Chiang régime. In the light of such an international situation, the Japanese Government, in pursuance of their fixed policy, recognized the National Government at Nanking

and on November 30 of last year concluded with the latter the Sino-Japanese Basic Treaty. This Treaty embodies the three basic principles of good neighbourliness, economic cooperation and joint defence against Communist activities. It stipulates that both Japan and China respect each other's sovereignty and territorial integrity, and undertake close economic cooperation on the basis of equality and reciprocity, and that Japanese forces be stationed in certain specified areas in Mengchiang and North China. Not only does Japan demand no territorial cession and no indemnities, but she has willingly pledged to China a policy of abolishing extraterritoriality and also of restoring the "concessions" to China. This is an eloquent testimony of her sincere desire for the attainment of a moral union of the Asiatic peoples. Now that the Basic Treaty has been signed and the Joint Declaration by Japan, Manchoukuo and China issued, it is incumbent upon us to concentrate our efforts on assisting the Nanking Government to develop into the Government of China both in name and in fact. We have thus been taking an attitude of surmounting all obstacles for the purpose of establishing a sphere of co-prosperity throughout Greater East Asia with Japan, Manchoukuo and China as the nucleus and mainstay.

Let me now make a brief survey of our relations with the Netherlands East Indies, French Indo-China and Thailand, which lie within the aforementioned sphere of common prosperity.

The Netherlands East Indies and French Indo-China, if only for geographical reasons, should be in an intimate and inseparable relationship with our country. Therefore, the situation which has hitherto thwarted the development of this natural relationship must be thoroughly remedied, and relations of good neighbourliness secured for the promotion of mutual prosperity. With this in view, early in September last, the Government despatched Mr. Ichizo Kobayashi, Minister of Commerce and Industry, to the Netherlands East Indies as a special envoy. When a definite stage had been reached in his negotiations with the Netherlands East Indies authorities concerning the purchase of oil and other urgent questions, Mr. Kobayashi was obliged to return to Japan by circumstances preventing his prolonged stay there. As his successor, the Government have recently sent to the islands Mr. Kenkichi Yoshizawa, formerly Minister of Foreign Affairs. He has already resumed the negotiations with the Netherlands East Indies authorities.

As regards French Indo-China, it formed the most important route of supply for Chungking since the beginning of the China Affair. Consequent, however, upon the sudden change in the

European situation last June, a change has occurred in the relations between Japan and French Indo-China, resulting in the closure of the border between that French colony and China itself, and in the entry, by agreement, of Japanese armed forces into the colony. Negotiations are now in progress in Tokyo in an amicable atmosphere on the basis of the Notes exchanged between the French Ambassador and myself in August last. It is my opinion that a realization, on the part of France, of the necessity for cooperation with Japan, in the light of the new situation in the world in general and in East Asia in particular, is responsible for this development.

In connection with the French Indo-China question, I should like to refer to the relations between our country and Thailand. It may be recalled that at the General Assembly of the League of Nations dealing with the Manchurian Affair, in 1933, the Thai delegate did not leave the Assembly hall but remained in his seat, and boldly announced his abstention from voting. This is still fresh in the memory of our people.

In June last year, a treaty of amity and neutrality was concluded by Japan with Thailand. With the exchange of ratifications, completed on December 23 at Bangkok, the bonds of friendship between the two countries have been drawn closer. A movement is now stirring the Thai people for the recovery of the lost territories which are at present incorporated in French Indo-China. The Thai troops are confronting the French Indo-China forces across the border with frequent conflicts occurring between them. Japan as the leader in East Asia, cannot afford to remain indifferent to such a dispute, which, she hopes, will be settled at an earliest possible date.

An exchange of diplomatic representatives has taken place between Japan and Australia. We hope that the two countries will make contributions toward the promotion of peace in the Pacific by furthering their cordial relations through friendly cooperation and the elimination of unnecessary misunderstandings.

The relations between Japan and Near Eastern Countries have recently increased in cordiality. Our ratification of the Treaty of Amity with Iran is only one of many proofs that illustrate this happy state of affairs.

Japan and Argentina have agreed to elevate the status of their Legations in each other's country to that of Embassies. With Brazil, a cultural agreement was signed in September last, and it has already been sanctioned by His Majesty the Emperor. Relations between Japan and Brazil are thus growing more and more cordial. It is a matter for hearty congratulation that Japan and those Latin

American countries have of recent years become increasingly closer in their political, economic and cultural relations.

While these diplomatic relations have taken such a favourable turn, the development of the European war has obliged us to suspend or temporarily withdraw some of our diplomatic establishments in that region. But Japan's diplomatic service abroad is being steadily strengthened on the principle of priority ; in particular we are reinforcing our diplomatic machinery in Greater East Asia.

In establishing a sphere of common prosperity throughout Greater East Asia and ensuring the peace of the Orient, it is not desirable that the present diplomatic relations between Japan and the Soviet Union should be left as they are. The utmost efforts are being made, therefore, to remove mutual misunderstandings and, if possible, to bring about a fundamental and far-reaching adjustment of diplomatic relations. We are pursuing negotiations at this moment upon such questions as the frontier demarcation between Manchoukuo and Outer Mongolia, the fisheries, and the Japanese concessions in North Saghalien. Regarding the fisheries question in particular, an agreement of views has already been reached concerning the establishment of a mixed commission composed of Japanese and Soviet representatives for the purpose of revising the long-term treaty and also concerning the conclusion of a *modus vivendi* for the fishing industry for this year. On this point both Germany and Italy share Japan's desire. The provisions of Article 5 of the Three-Power Pact make it clear, in accordance with the aforementioned intentions of Japan, that the Pact is not directed against the Soviet Union. We earnestly hope that the Soviet Union will understand Japan's true intentions and that the two countries, actuated by the spirit of mutual concession and conciliation, will succeed in achieving the readjustment of their relations.

Japan's foreign trade, with the exception of that with Manchoukuo and China, is conducted mostly with Great Britain, the United States and their respective colonies and possessions. Since notifying Japan of the abrogation of the Treaty of Commerce and Navigation in July, 1939, the United States has been enforcing, in succession, embargoes or restrictions on the exports to Japan of aircraft, arms and ammunition, aviation gasoline, machine tools, scrap iron, iron and steel manufactures, copper, nickel, and other important war materials, while the British Dominions and colonies are in various ways interfering with Japan's shipping. The Japanese Government have lodged protests against such actions on each occasion, and yet this tendency has recently been so greatly aggravated that Japan must meet the situation adequately prepared. No other course is left to

her but to go forward, perfecting herself as a State highly organized for national defence, not only in order to meet this pressure that I have referred to but also to ensure economic self-sufficiency within the region of Greater East Asia.

In this connection, I should like to refer to our relations with the United States. The United States has evinced no adequate understanding of the fact that the establishment of a sphere of common prosperity throughout Greater East Asia is truly a matter of vital concern to Japan. She apparently entertains an idea that her own first line of national defence, on the east, lies along the mid-Atlantic and, on the west, not only along the eastern Pacific, but even as far as China and the South Seas. If the United States assumes such an attitude, it would be, to say the least, a very one-sided contention on her part, and would cast reflections on our position of superiority in the Western Pacific, thus intimating that it betokens ambitious designs on our part. I, for one, believe that such a position assumed by the United States would not contribute toward the promotion of world peace. Speaking frankly, I extremely regret such an attitude of the United States for the sake of Japanese-American friendship, for the sake of peace in the Pacific and, also, for the sake of the peace of the world. It is my earnest hope that a great nation that is exerting such a tremendous influence in the world as the United States will realize her responsibility for the maintenance of peace, will reflect deeply on her attitude with fear of God, that is, true piety, will courageously liquidate the state of things created by the force of past circumstances and put forth her utmost efforts toward overcoming the impending crisis of civilization.

The prevailing confusion of the international situation shows no sign of subsiding, but on the contrary, it tends to increase. Should the United States unfortunately become involved in the European war, and should Japan, too, be compelled to participate in the conflict, another great World War both in name and reality would ensue, precipitating a situation which would defy all attempt at saving it. Should the war take its furious course, unleashing formidable new weapons which have not hitherto been used, no one could guarantee that it would not develop into a war spelling the downfall of modern civilization. The Three-Power Pact has been concluded for the purpose not only of making sustained efforts for the establishment of a sphere of common prosperity throughout Greater East Asia, but of preventing, in the course of such efforts, any further aggravation of the present disturbances. We must endeavour to terminate the current war as speedily as possible and

to put an end to the chaos in which the world is plunged. We must, meanwhile, study in advance to discover some formula avoiding the recurrence of any such disturbance in future.

With an unbroken line of the Emperors reigning since its foundation, our Empire constitutes a unique family-State unparalleled in the world for unity and solidarity, growing stronger with every national emergency. It is reassuring, moreover, to observe that the Japanese Empire is endowed with the most favourable geographical conditions, powerful enough to influence the course of world politics. With the conviction of our race that Light radiates from the East and with the great ideal of *Hakkō Itiu*, we must put forth our highest efforts in the momentous task of establishing a new world order which is the object of the tripartite Pact. That we shall succeed in this regard I have not the slightest doubt. If we are fully prepared for this task under these circumstances, the future of our Empire, I firmly believe, is full of promise.

In concluding my address, I respectfully pay my tribute to the spirits of those loyal and valiant officers and men, our compatriots, who have fallen in action, and at the same time, I tender my warm thanks to our Fighting Services who are enduring many hardships and privations, and extend to them my most sincere wishes for every success in the field.

ADDRESS OF MR. ISAO KAWADA, MINISTER OF FINANCE

I consider it a great honour to have this opportunity of explaining to you today the outline of the budget for the 1941–42 fiscal year and recent trends in our economic circles.

Our country is now engaged in a gigantic task of ensuring a permanent peace and stability of East Asia in accordance with the high and broad principles on which the Empire was founded. In undertaking this task we shall certainly be confronted with many difficulties, which can only be overcome, needless to say, by the perfect unity of the entire nation. Particularly, in the current complex and intricate international situation it is urgently and vitally necessary for our country to speedily complete the highly organized national defence structure, and be prepared to meet any serious development. Accordingly, in the operation of our financial and economic policy the basic principles must be adopted along the lines of repleting armaments, expanding productive capacity, and safeguarding and stabilizing the people's wartime livelihood by means of full and coordinated utilization of the entire economic resources.

With regard to economic circles, their general trend during the first half of the past year was, on the whole, favourable. However, in the latter half there was a growing tension in international relations which naturally affected our economic circles to a certain extent. Fortunately due to the appropriate measures taken by the Government and through the cooperation of the people, the year-end passed off uneventfully.

In financial circles, quietness prevailed, and in the money market the accumulation of funds and their operation were carried out satisfactorily. Only in the latter part of the year, a slight tightness was temporarily experienced. It can be accounted for by the facts that the bank deposits did not increase in proportion to the growing demands for funds required for the expansion of productive capacity and for other purposes, and that the amount remaining unabsorbed of the Government funds distributed at large were comparatively small. Nor can it be denied that an increasing tension in the international situation has created an over-cautious attitude in a section of economic circles. Therefore, many measures were taken to ease the market, such as the acceleration of government disbursements, the emission of the Treasury Deposit Bureau funds, and the rationalization of the issuance and absorption of Government bonds and corporation debentures. Moreover, toward the end of the year there were heavy payments by the Government. Thus trends in financial circles were normal in the year-end and have remained so to date.

As for the accumulation of funds satisfactory progress is being made. Much credit is due to the people who cooperated fully with the national movement for promotion of thrift and savings. During the past year postal savings increased by 1,720,000,000 yen[1] while in bank deposits, there was a temporary slack in the mounting tendency. After all, however, an increase of 6,098,000,000 yen was seen as compared with the preceding year.

Bond issues during last year totaled 6,667,000,000 yen. Despite a brisk demand for funds for the expansion of productive capacity, 5,240,000,000 yen worth of bonds were absorbed. This shows an increase of 531,000,000 yen when compared with the amount of bonds absorbed during the preceding year. Incidentally, new debentures issued in 1940 amounted to a total of 2,829,000,000 yen. Sales of savings and patriotic bonds amounted to 350,000,000 yen.

The note issue last year averaged 3,336,000,000 yen, representing an increase of 960,000,000 yen over the preceding year. At the year-end the issue amounted to 4,930,000,000 yen. However, its

[1] These figures are in round numbers.

contraction after the new year is reassuring. An increase, to a certain extent, of the note issue is unavoidable at a time when national economy is expanding year after year, and when the methods of business transactions are undergoing changes. The Government are nevertheless making efforts to prevent any excessive increase of note issue by carrying out various measures, such as the encouragement of savings and thrift, and the adjustment of supply and demand for funds and materials. In this regard, we wish to assure you of our further efforts.

Next I want to call your attention to foreign trade. Exports for the past year amounted to 3,972,000,000 yen and imports to 3,709,000,000 yen, leaving a favourable balance of 263,000,000 yen; that is to say, an increase of 1 per cent and 1.9 per cent in exports and imports, respectively, over last year. Trade with Manchoukuo and China showed a sound growth. As for trade with other countries, the situation was almost the same as in the preceding year. Since the outbreak of the European conflict, there has been a growing trend among nations toward the intensification of exchange and trade control, while dangers and perils to shipping are increasing. It is certainly a matter for congratulation that, under these circumstances, we have been able to realize the aforementioned results. The prevailing international situation, however, will not warrant optimism as to the future of our foreign trade. Efforts must be redoubled to increase the export trade with countries outside the yen-bloc area, so that the nation's capacity for importing necessary materials may be expanded. At the same time, steps must be immediately taken to replenish and utilize the exchange fund to the fullest extent. In this connection, the Government intend to work out every possible measure deemed necessary. The Government are also giving serious attention to the increased production and purchase of gold, with a view to augmenting our importing capacity.

The exchange rate of the yen has remained stable since the outbreak of the China Affair. Even since the change in the exchange basis from the pound sterling to the dollar, was effected in 1939, stability has not been disturbed. The Government intend to maintain the present rate. Our exchange-fund operations have heretofore been centred in London and New York, but the practice has recently been shifted to direct settlements with the countries concerned. In future the Government are contemplating to extend the area in which the yen is to be used in the settlement of international accounts. Such an extension will go a long way toward increasing Japan's foreign trade and raising our position in international economy.

Recent developments in the international situation have affected our economic circles, particularly in connection with the supply of materials. The repletion of armaments and the expansion of productive power cannot be neglected even for a day. The supply for these purposes must be assured by all means. Consequently supply and demand of general commodities will become somewhat unbalanced. In order to cope with this state of affairs, it is necessary to increase the supplying capacity by rearrangement of importation from other countries in such a manner as to establish a system of self-sufficiency within the Greater East Asian sphere of common prosperity, with Japan, Manchoukuo and China as its nucleus, and at the same time by exercising every possible economy in the use and reclaiming of materials available within the country. In the meantime, there will be a temporary decrease in the supply for governmental and private demands, which may, in turn, affect the supply of necessaries of life, thus creating a certain amount of inconvenience to the consuming public. The Government intend to maintain the low price policy and ensure the minimum amount of supply, so that the stability of the livelihood of the home-front population may be fully ensured.

In order to successfully conduct our finance and economy under the prevailing conditions, it is necessary to formulate a comprehensive plan embracing materials, funds and labour. For this purpose, various measures for economic control will have to be strengthened. I am fully convinced, however, that temporary privations consequent upon such control will be overcome, provided the nation faces the situation with unflinching will and in perfect unison. It is imperative that we should dispel any misgivings toward our future and never permit ourselves to assume any retrogressive, faltering attitude. The Government have formulated the budget for the 1941–42 fiscal year under these circumstances. A careful consideration was given, therefore, to the trends and developments in economic circles, while guarding against the danger of falling into conservatism.

Now I shall explain the contents of the 1941–42 budget which is before the House. The self-balanced, estimated revenue and expenditures for the coming fiscal year total 6,863,000,000 yen, representing an increase of 765,000,000 yen over the preceding year.

Explanation will be given first of the estimates for expenditures. In formulating the budget, the policy was followed to bring all the State measures into conformity with the wartime national structure, with a view to meeting any new development in the international situation, to successfuly settling the China Affair and to strengthening the nation's wartime finance and economy. Accordingly the

Government have tried to provide for the carrying out of all measures essential for the perfection of the highly organized national defence structure, while giving close attention to the ensuring of harmony between money and materials, and to the adjustment of essential materials provided for in the budget to the programme relating to supply and demand of materials. With regard to other measures, therefore, only those of actually urgent nature are taken care of. Also in respect to expenditures already authorized, economy has been carried out to the fullest extent.

As has been pointed out, the total estimates show a net increase of 765,000,000 yen over the preceding year, after the balancing of the amount economized in authorized expenditures and of the increases covering new expenditures.

The particulars of the increase may be accounted for as follows: expenditures relating to public loans 152,000,000 yen; annuities and pensions 53,000,000 yen; the expenditures for the War and Navy Departments 324,000,000 yen; transfer from the General Account to the Special Account for Emergency Military Expenditures 70,000,000 yen; transfer to the Special Account for Taxes and Grants to be Allocated to Local Governments 42,000,000 yen; and others 122,000,000 yen.

With regard to economizing on authorized Expenditures, the Government have deemed it imperative to take such a step in order to make the most of all financial resources at our command for the successful operation of wartime economy. After a close scrutiny, certain items of expenditure were either curtailed or postponed. There are some expenditures for the War and Navy Departments included in the General Account which can be saved due to the dispatch of their forces to the China front. The result is a decrease in authorized expenditures to the extent of 926,000,000 yen.

On the other hand, the following expenditures are included in the estimates as new appropriations: those for the repletion of armaments 402,000,000 yen; those for the aid and protection of soldiers and sailors 104,000,000 yen; those for the promotion of scientific researches 10,000,000 yen; those for the expansion of productive power 217,000,000 yen; those for carrying out economic control 39,000,000 yen; those for the promotion of foreign trade 16,000,000 yen; those for the promotion of shipping 12,000,000 yen; and those for the promotion of civilian aviation 20,000,000 yen. Provision is also made for the improvement of air defence, planting of settlers in Manchoukuo, and prevention of tuberculosis. In passing, I want to call your attention to the increased revenue from tax receipts on the basis of the taxation reform carried out since the

1938–39 fiscal year and from the profits of the Monopoly Bureau consequent upon the raising of the price of tobacco since January, 1938, the total of which amounted to 670,000,000 yen. This amount was transferred to the Special Account for Emergency Military Expenditures.

I now pass on to the estimated revenue. It is itemized as: normal revenue, such as taxes, etc, 4,903,000,000 yen; surplus brought forward from the preceding fiscal year 80,000,000 yen; receipts from the issues of public bonds 1,879,000,000 yen.

The estimated normal revenue, including taxes and other items, was estimated on the basis of the past actual results, while making allowance for possible developments in economic circles which may be caused by the introduction of various economic and financial measures. The normal revenue shows an increase of 792,000,000 yen over the current fiscal year, which is due primarily to the increase of receipts from taxes. The estimated revenue from both ordinary and extraordinary taxes totals 3,690,000,000 yen, representing an increase of 526,000,000 yen over the preceding year. It comprises: an increase on account of the taxation reform of the preceding year 91,000,000 yen and a natural increase of 434,000,000 yen.

As the receipts from taxes are estimated to amount, at the end of the current fiscal year, to 3,550,000,000 yen, it will be seen that in the 1941–42 estimates for the same item, amounting to 3,690,000,000 yen, the natural increase is not included. It is gratifying to observe, in this connection, that the tax revenue was quite normal, despite increasing annual financial burdens imposed upon the people since the outbreak of the China Affair. Such a happy state of things is to be attributed to the ardent patriotic spirit of the Japanese people.

The following increases will also be noted in the normal revenue: stamp receipts 35,000,000 yen; receipts from Government-owned forests 42,000,000 yen; receipts from the Government enterprises 11,000,000 yen; contributions from the Bank of Japan 24,000,000 yen; and transfer from special accounts for Government funds for special projects 140,000,000 yen.

With regard to the bond issues they are itemized as: Earthquake Reconstruction Bonds 3,000,000 yen, Highway Bonds 16,000,000 yen, and Deficits Bonds 1,859,000,000 yen, totalling 1,879,000,000 yen.

In the compilation of the estimates for various special accounts, a policy of economy and retrenchment was followed as in the General Account. However, the estimates for various overseas governments such as Tyōsen, Taiwan, the Kwantung Leased Territory, Karahuto, and the South Sea islands show increases as compared with the

current budget. The increases are only commensurate with the growing importance of these regions in the face of new developments in the world situation. Some new undertakings have to be carried out in view of the prevailing circumstances.

The estimated amounts to be transferred from the various special accounts to the Emergency Military Expenditures are: from the Special Account of the Government-General of Tyōsen 84,000,000 yen, from that of the Government-General of Taiwan 24,000,000 yen, from that of the Bureau of the Kwantung Leased Territory 23,000,000 yen, from that of the Government of Karahuto 10,000,000 yen, from that of the Imperial Railways 60,000,000 yen, and from that of Communications Services 20,000,000 yen, totalling 223,000,000 yen.

In this amount an increase of 62,000,000 yen over the preceding year is also shown. Estimated receipts from the issues of public bonds as included in the revenues for special accounts are: for the Special Account of the Government-General of Tyōsen 160,000,000 yen, for that of the Government-General of Taiwan 9,000,000 yen, for that of the Imperial Railways 45,000,000 yen, for that of Communication Services 17,000,000 yen, and for that of the Government Investments 285,000,000 yen, totalling 517,000,000 yen.

Thus, when this amount of the bond issues for the Special Accounts is taken together with that for the General Account, representing 1,879,000,000 yen, the total bond issue for the next fiscal year will amount to 2,396,000,000 yen.

With regard to the Emergency Military budget relating to the China Affair, it will presently be submitted for your deliberation and approval.

In view of the far-reaching consequences the execution of the budget will have on our economic circles, the authorities concerned are required to exercise the utmost care. As has been mentioned, the estimated bond issues will reach 2,396,000,000 yen. Further issues will be forthcoming in connection with the Emergency Military Expenditures, making the total no small figure. Consequently the absorption of the bonds as well as the repletion of funds for industries will become matters of vital importance. For this purpose, the Government will endeavour to accumulate funds by promoting savings among the people, and at the same time guide and direct them to invest such savings in bonds and other appropriate enterprises through the operation of the Banking Control and related ordinances. The Government intend to work out further measures for properly absorbing and distributing the funds, so that they may be evenly and smoothly distributed.

In its relations to the supply of materials, the execution of the budget must be made by taking into consideration price and other factors affecting all phases of the people's economic life and in accordance with the country's capacity to supply materials. And these financial and economic measures cannot be carried out successfully without the combined efforts of the Government and the people. Taking this occasion, let me call upon every member of the nation for his or her full cooperation with the Government for this purpose.

Japan has already embarked upon the tremendous task of establishing the Greater East Asian sphere of common prosperity. The programme for the development of resources in Manchoukuo and China has been successfully carried out, and the economic relations between Japan, Manchoukuo and China are becoming increasingly closer. As is widely known, the healthy growth of Manchoukuo continues, while the National Government of China have been steadily consolidating their foundation since their return to Nanking last spring.

The conclusion of the Basic Treaty between Japan and China in November last year, which was followed by the Joint Declaration by Manchoukuo and China formally recognizing each other, marked a definite step forward in the establishment of the new order in East Asia. But a mere realization of economic cooperation between the three countries is not sufficient for this purpose. Further extension of this economic sphere must be envisioned. This will never be an easy task. But by our indomitable spirit and unfailing economic strength, I am fully convinced, we can carve out a glorious national destiny.

In closing, I earnestly request that you will give your approval to this budgetary measure after due deliberations.

CONCERNING THE JAPANESE-SOVIET FISHERY CONVENTION

—Announcement by the Board of Information on January 30, 1941—

On January 20 this year the Protocol concerning the prolongation of the duration of the Japanese-Soviet Fishery Convention was signed at Moscow, subject to approval by the Government. Since then, the Government have been taking internal procedures for its approval. The necessary internal procedures for such approval having been completed yesterday, January 29, the Japanese Government immediately notified the Soviet Government to that effect through Ambassador General Yoshitsugu Tatekawa at Moscow, and consequently the Protocol has now come into full force.

PROTOCOL

Whereas the term of duration of the Fishery Convention between Japan and the Union of Soviet Socialist Republics, signed on January 23rd, 1928, and prolonged by the Protocols signed, respectively, on May 25th, 1936, on December 28th of the same year, on December 29th, 1937, on April 2nd, 1939 and on December 31st of the same year, came to an end on December 31st, 1940; and

Whereas a new Convention had not been concluded before December 31st, 1940;

The Governments of Japan and the Union of Soviet Socialist Republics have agreed upon the following articles:

Article 1

The Fishery Convention between Japan and Union of Soviet Socialist Republics as well as all the documents annexed thereto, signed on January 23rd, 1928, remain in force until December 31st, 1941.

Article 2

The present Protocol shall be replaced by a new Convention, which is now under negotiation between the Governments of Japan and the Union of Soviet Socialist Republics and which will be concluded in the course of the year 1941.

In witness hereof the undersigned, duly authorized by their respective Governments, have signed the present Protocol.

Done in duplicate in the City of Moscow on the 20th day of the 1st month of the 16th year of Syōwa, corresponding to January 20th, 1941.

CONCERNING THE MEDIATION OF THE BORDER DISPUTE BETWEEN THAILAND AND FRENCH INDO-CHINA

I

—Announcement by the Board of Information on January 24, 1941—

The proposal of the Jappanese Government for the cessation of hostilities and their mediation of the border dispute between Thailand and French Indo-China has been accepted by the Governments of Thailand and France.

As the relations between Thailand and French Indo-China had become increasingly tense since the rise of the movement in Thailand for the recovery of her lost territories, the Japanese Government, out of consideration for the peace and tranquillity of Greater East Asia and the co-existence and co-prosperity of the peoples of this region, had entertained a hope that such a question would be peacefully settled without recourse to arms and have taken the necessary steps. Unfortunately, however, an armed conflict subsequently broke out. In the early part of December, the Japanese Government informally proposed to the French Government, through the latter's Ambassador at Tokyo, Mr. Charles Arsene-Henry, that they were prepared to mediate for the settlement of the dispute. The situation, however, has not only failed to take a favourable turn for a settlement but has become so serious that it was deemed a matter for grave concern as to its future course since the hostilities between the two countries have recently become increasingly extended.

The Foreign Minister, Mr. Yosuke Matsuoka, therefore, made a formal proposal of the Japanese Government on January 20 to the Governments of France and Thailand regarding an immediate cessation of the hostilities and a mediation of the dispute, to which the Governments respectively have replied their acceptance.

II

—Announcement by the Board of Information on January 29, 1941—

It has been decided that the armistice negotiations regarding the Thailand and French Indo-China border dispute be held aboard a Japanese warship on the high seas off Saigon. The Japanese Government have notified the Governments of the two countries that they will send the following delegates to the said conference:

Consul-General Yasushi Hayashi, Consul-General Fujio Minota, Consul-General Shunsuke Asada, Major General Raishiro Sumita, Colonel Hiroshi Tamura, Captain Shinichi Torikoshi (Navy) and Captain Kanye Nakado (Navy).

III

—Joint Communiqué by Japan, France and Thailand Concerning the Mediation Conference for the Settlement of the Thai-French Indo-China Border Dispute, Issued by the Board of Information on February 7, 1941—

The first formal session of the conference for the mediation of the Thai-French Indo-China border dispute was held at 4:00 o'clock this afternoon at the official residence of the Prime Minister. On behalf of the mediators, Japan's chief delegate, Mr. Yosuke Matsuoka, the Foreign Minister, delivered the inaugural speech to which the French and Thai plenipotentiaries respectively replied. Then, the secretary-general of the Japanese delegation made a report on the method of procedure of the conference, which had been agreed upon among the secretaries-general of the countries concerned. Following the approval of this report by French and Thai plenipotentiaries the meeting closed at 4:40 o'clock.

IV

—Inaugural Speech by Mr. Yosuke Matsuoka, the Foreign Minister, at the First Plenary Session of the Mediation Conference in Tokyo on February 7, 1941—

Your Royal Highness, Excellencies, and Gentlemen :

I wish first of all to welcome you most heartily, and express my most sincere appreciation of the trouble you have taken in coming such a long way to attend this conference.

It is my firm belief that the establishment of a sphere of common prosperity throughout Greater East Asia is not only Japan's policy, but indeed a historical necessity in the event of world history. And those countries which exist in that sphere can contribute to the peace of Asia as well as to that of the world by their procuring each its own place and enjoying common prosperity amongst them. For that purpose I need hardly say that it is of vital importance that there should be security and stability in this part of East Asia. Therefore, when there arose a dispute concerning the boundary between Thailand and French Indo-China last year, I sincerely wished that the dispute would be amicably settled. Unfortunately, however, hostilities began between the two countries. The Japanese Government considered that it would be undesirable in the interests of the whole East Asia if this state of affairs were allowed to last long, and therefore we have decided to mediate between the two countries.

Now that we have entered upon the task of mediation, it will readily be appreciated that the Japanese Government are prepared to endeavour to bring about the settlement of the dispute with determination and responsibility.

It was most fortunate that the Conference for the Cessation of Hostilities

held at Saigon so speedily came to a satisfactory end. I wish from the bottom of my heart that both the French and Thai Delegates would show at this Tokyo Conference for the Settlement of Dispute such a perfect understanding and earnest spirit of cooperation as were manifested by them at the Saigon Conference for the Cessation of Hostilities, so that the dispute may speedily be settled and friendly relations restored between the two countries, thus making an invaluable contribution towards the peace and stability of Greater East Asia.

CONCERNING ALARMING REPORTS WITH REFERENCE TO THE EAST ASIATIC SITUATION

—Statement by the Spokesman of the Board of Information
Issued on February 18, 1941—

Various alarming reports have reached Japan purporting to give an impression that the situation in East Asia has become radically tense. We are surprised to learn that some foreign countries felt undue concern regarding the alleged tension in the situation in East Asia, and want to emphasize that so far as we can see there is no ground for entertaining alarming views on the East Asiatic situation.

We want to repeat that the purpose of the Tripartite Pact is peaceful. We can not help feeling, therefore, a certain amount of anxiety, if not misgivings, as to the war-like preparations of the British and American Governments to meet the supposed contingencies in the Pacific and the South Seas. The press reports, concerning these movements on the part of Britain and the United States originating from British and American sources and elsewhere, are causing increasing misgivings, resulting in the contention advanced in some quarters in Japan that Japan should lose no time to take necessary steps to meet the worst eventuality in those regions. If the American Government could only be persuaded to restrict their activities in this respect to the Western Hemisphere and avoid causing anxiety unnecessarily in the mind of the Japanese people, the situation would indeed be greatly mitigated.

We are utterly unable to see any good purpose to be served by prolonging war, whatever the motive may be. The present situation demands statemanship of a high order. Such a statemanship, we trust, will not be wanting in the British Empire or elsewhere.

In concluding, we want to make it clear that Japan is fully prepared to act as a mediator or to take whatever action calculated to recover normal conditions, not only in Greater East Asia but anywhere in the world. Leading Powers have great responsibility of restoring world peace and civilization; and such responsibility can only be fulfilled by a wise and generous statesmanship willing to listen to other's claims and contentions.

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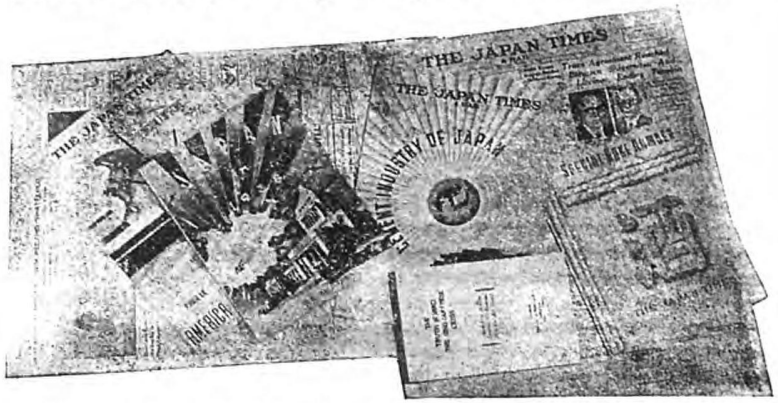

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